

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:971

ANSWERED ON:19.07.2002

MEASURES TO BRING UPTURN IN INDUSTRIAL SECTOR

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government have initiated new policy measures to bring an upturn in the industrial sector;
- (b) If so, the details thereof;
- (c) whether the problems being faced by the industrial sector in the country has also been reviewed by a high level expert group;
- (d) If so, whether the said expert group has also suggested several policy measures;
- (e) If so, the details thereof; and
- (f) the efforts made by the Government for prompt implementation of those suggestions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (f) : The Indian industry has entered a phase of recovery registering a growth of 3.8 per cent during April-May 2002-03 as compared to 2.1 per cent for April-May 2001-02. No Expert Group has been set up to review problems being faced by the industrial sector. However, the Government has taken following measures to improve performance of the industrial sector.

q The Reserve Bank has announced measures for stepping up growth momentum with stimulus to agriculture, housing, small-scale sector and exports in its credit policy for 2002-03. It also aims at facilitating better credit delivery and moving forward with structural reforms.

q The RBI has cut Cash Reserve Ratio (CRR) to 5 per cent from 5.5 percent, a move that is likely to release Rs 5000 crores to banks for lending. This move will ease the liquidity position further.

q Power sector reforms have received a boost in pursuance of the centre's decision to provide grants equal to the amount by which states have been able to reduce their power sector deficits. The states of Haryana, Rajasthan and Andhra Pradesh have been able to reduce losses in the past couple of years. While Haryana is expected to emerge with cash profits in 2001-02, Rajasthan and Andhra Pradesh have reduced their power sector deficits. These three states will now be eligible for matching grant of at least Rs. 2.0 billion under the Accelerated Power Development and Reform Programme (APDRP).

q The draft Electricity Bill has been introduced in the Parliament for facilitating comprehensive power sector reforms.

q The Union Budget 2002-03 has made allocations towards some of the major schemes, which will boost demand especially in construction, housing, steel, and cement sectors. These schemes include PM'S Gram Sadak Yojana, Infrastructure Equity Fund, Urban Reform Incentive Fund, City Challenge Fund, and Accelerated Power Development Reform Programme.